

**Review and Recommendations  
Lucky Strike Mineral Claim # 530018  
Similkameen Region  
Jura, B.C. Project Area  
British Columbia, Canada**

**Prepared by: James W. McLeod, P. Geo.**

**For: Nilam Resources Inc.**

**Dated: April 10, 2006**

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## 0.0 Summary

The Lucky Strike property consists of one located mineral claim comprising a total of 6 contiguous cells. The property is situated near the divide between the Allison and Hayes creek valleys 6 miles northeast of The Town of Princeton in the southern part of the Thompson Plateau area in British Columbia, Canada. Nilam Resources Ltd., a Nevada, USA company is the beneficial owner of the mineral claim.

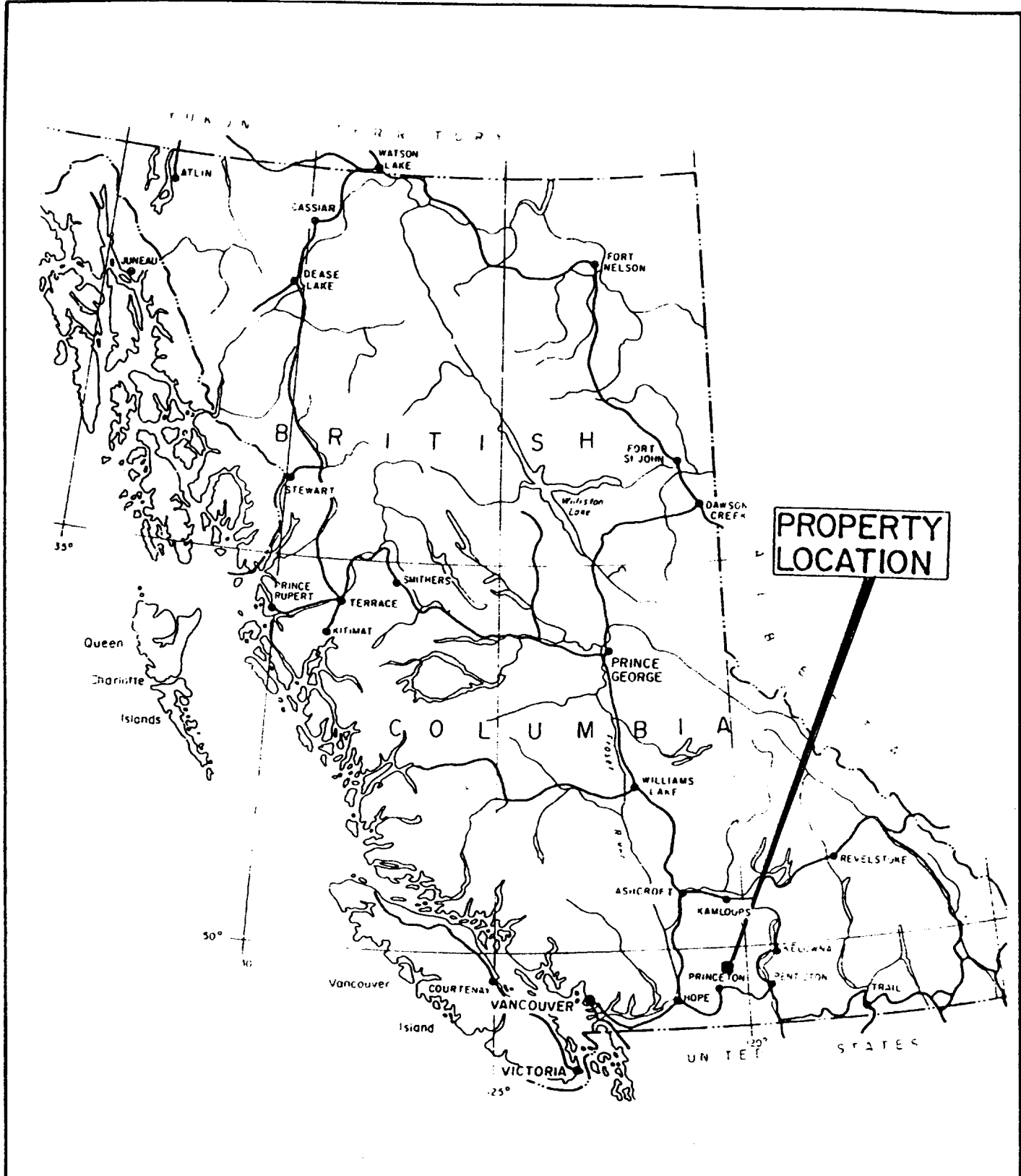
The property is underlain by a northerly trending belt of mafic to intermediate composition rock units which occur as flows and pyroclastic volcanics and less frequent interlayered sediments assigned to the eastern belt of the upper Triassic aged Nicola Group. The Nicola Group is intruded in places by early to early-middle Jurassic plutonic rock that correlate with the Coast Range intrusions.

The underlying rock units exhibit an aeromagnetic pattern that could indicate a response to underlying deformation due to geological contacts and/or faulting. Much of the claim group is drift or overburden covered and offers exploration potential. The writer feels that the potential exists for movement of mineralizing fluids to have impregnated this northeasterly trending zone and either emanating from underlying intrusions or as conduits along several strong northerly trending faults that are observed to traverse the general area.

The mineral claim area first received attention in 1927 and is described as undergoing some surface and minor underground trenching and drifting over approximately a 1,000 foot strike length of some occurrences of chalcopryite and pyrite in a contact zone between metamorphosed basalt and a coarse grained intrusive (pegmatite).

The Lucky Strike property has registered an anomalous copper-gold assay from a 6.56 foot chip sample that was taken in 1987 and returned 0.823 % copper and 0.46 g/ton gold .

The claim is favorably situated and may require geophysical surveys to determine in more detail its potential following the initial prospecting, rock trenching and sampling program. An exploratory drilling program (Phase 3) would follow the previous surveys (Phases 1 & 2) and be contingent upon positive results being obtained from the previous exploration work.



<b>NILAM RESOURCES INC.</b>	
<b>LUCKY STRIKE CLAIM</b>	
530018	
<b>LOCATION MAP</b>	
NTS. 92H-9	SIMILKAMEEN RIVER, B.C.
SCALE: 1:7,500,000	DATE: APRIL 2006
DRAWN BY: J.M.	FIGURE: 1



The object of our initial exploration undertaking is to assess areas that may require more detailed investigations to assist in determining their economic significance.

## 1.0 Introduction and Terms of Reference

This report, entitled “Review and Recommendations, Lucky Strike Mineral Claim No. 530018, Similkameen Region, Jura, B.C. Project Area, British Columbia, Canada”, includes the property and surrounding geology, history, past exploration and mineral potential. This report is being done at the request of the Board of Directors of Nilam Resources Inc. The author of this report is a Qualified Person. He is a registered Professional Geoscientist, #18,712 and a member in good standing with The Association of Professional Engineers and Geoscientists of British Columbia. The author has worked in the general area many times during the past 35 years. The Lucky Strike mineral claim was purchased by the Company from an arms-length party.

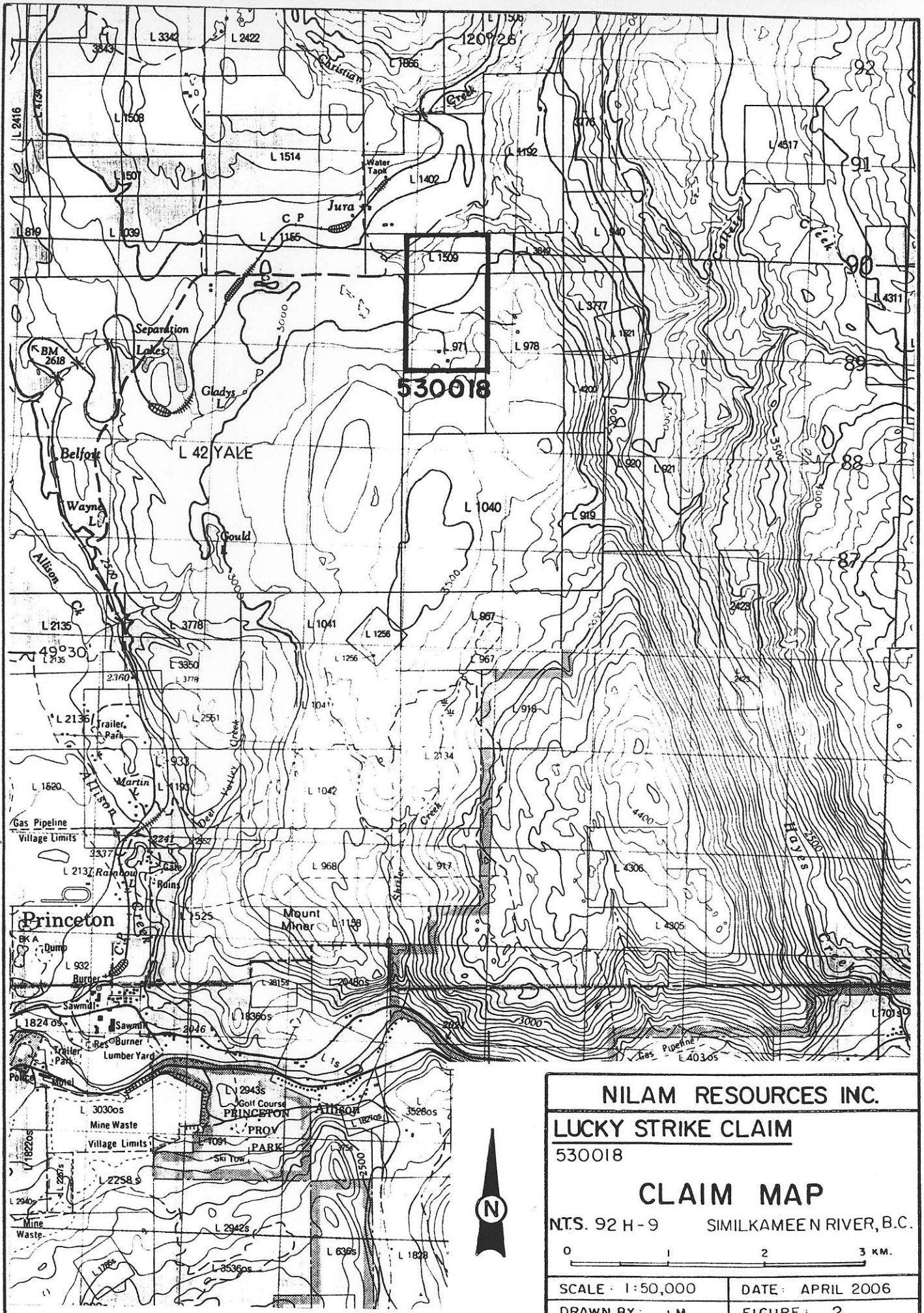
## 2.0 Disclaimer

The author reviewed the historical data and has personally visited the property area. This report is entirely the responsibility of the author who based his recommendations and conclusions on his personal experience in the mineral exploration business and upon sources of information that are identified.

## 3.0 Property Description and Location

The Lucky Strike mineral claim consists of 6 mineral cells in one contiguous, 3N-2W group and is listed as follows:

<u>Name</u>	<u>Tenure No.</u>	<u>Cells</u>	<u>Expiration Date</u>
Lucky Strike	530018	6	March 13, 2007



<b>NILAM RESOURCES INC.</b>	
<b>LUCKY STRIKE CLAIM</b>	
530018	
<b>CLAIM MAP</b>	
NTS. 92 H - 9	SILMKAMEEN RIVER, B.C.
0 1 2 3 KM.	
SCALE : 1:50,000	DATE : APRIL 2006
DRAWN BY : J.M.	FIGURE : 2

The beneficial owner of the above listed mineral claim is Nilam Resources Inc., Suite 503, 42 Camden Street, Toronto, Ontario M5V 1V1, Canada.

The Lucky Strike mineral claim is comprised of 6 contiguous cells (see Figure 2) totaling 310 acres. The mineral claim area may be located on the NTS map sheet, 92H/9W. At the center of the property the latitude is 49° 31' 54" N and the longitude is 120° 26' 26" W. The claim is located in the Princeton area and is situated 6 miles by good all weather, paved road northeast of the Town of Princeton, British Columbia, Canada.

#### 4.0 Accessibility, Climate, Local Resources, Infrastructure and Physiography

The property is accessible by traveling north-northeast of Princeton, British Columbia, along the Osprey Lake road for 6 miles to the Jura, B.C. (former station on the abandoned Kettle Valley railroad) cut-off. The first gravel road traveling south of the paved road offers immediate access to the mineral claim (see Figure 2).

The Lucky Strike property lies within the Dry Interior Belt biotic zone and experiences about 15"-20" of precipitation annually of which about 25% may occur as a snow equivalent. The summers can experience hot weather while the winters are generally mild and last from December through March.

Much of the Thompson Plateau area hosts patchy conifer cover of western yellow pine (ponderosa pine) and Douglas fir mingled with open range and deciduous groves of aspen and cottonwood. The general area supports an active logging industry. Mining holds an historical and contemporary place in the development and economic well being of the area.

The Town of Princeton, British Columbia which lies 6 miles by road southwest of the Lucky Strike mineral claim offers much of the necessary infrastructure required to base and carry-out an exploration program (accommodations, communications, limited equipment and supplies). Princeton, B.C. is highway accessible from Vancouver, B.C. in a few hours, the time it takes to travel 200 miles. The overnight Greyhound bus service is a popular way to send-in samples and to receive additional equipment and supplies.



The property is located in the southern part of the Thompson Plateau above Princeton, B.C. and the confluence of the Tulameen and Similkameen rivers. The claim area ranges in elevation from 2,850 feet to 3,400 feet mean sea level. The physiographic setting of the property can be described as rounded, open range, plateau terrain that has been surficially altered both by the erosional and the depositional (drift cover) effects of glaciation. Thickness of drift cover in the valleys may vary considerably.

## 5.0 History

The recorded mining history of the general area dates from the 1860's with the discovery of placer gold on the Tulameen and Similkameen rivers. Lode gold was discovered in the Hedley area, 19 miles due east of Princeton, B.C. (formerly Vermillion Forks) in 1894. By 1904 the Nickel Plate Mine, in the Hedley Camp was producing gold for the first of three extended periods, the latest of which ended during the 1990's after successful mining by Mascot Gold Mines (Corona Corporation).

The large alkalic porphyry copper deposits containing recoverable gold and platinum group elements, (PGE) as mainly palladium of the Copper Mountain area were first discovered in 1884, but not staked until 1892. Production was not attained until 1925 when it was brought on stream by the Granby Consolidated Mining, Smelting and Power Company. The mines here operated between 1925-1930 and 1937-1957 producing 31.5 million tons of ore grading better than 1% copper. The latest episode of this production began in 1972 by the Newmont Mining Corporation on the westside of the Similkameen River at the adjacent Ingerbelle volcanic skarn deposit. Newmont later consolidated the Copper Mountain and Ingerbelle operations and were active under the Princeton Mining Corporation until 1996 as the Similco Operation.

The Lucky Strike claim area was first explored in 1927. Activity in the general mineral claim area have been carried-out intermittently since that time (summaries of these events can be found in previous British Columbia Energy Mines and Petroleum Resource (BCEMPR) - Annual Assessment Reports).

## 6.0 Geological Setting

### 6.1 Regional Geology

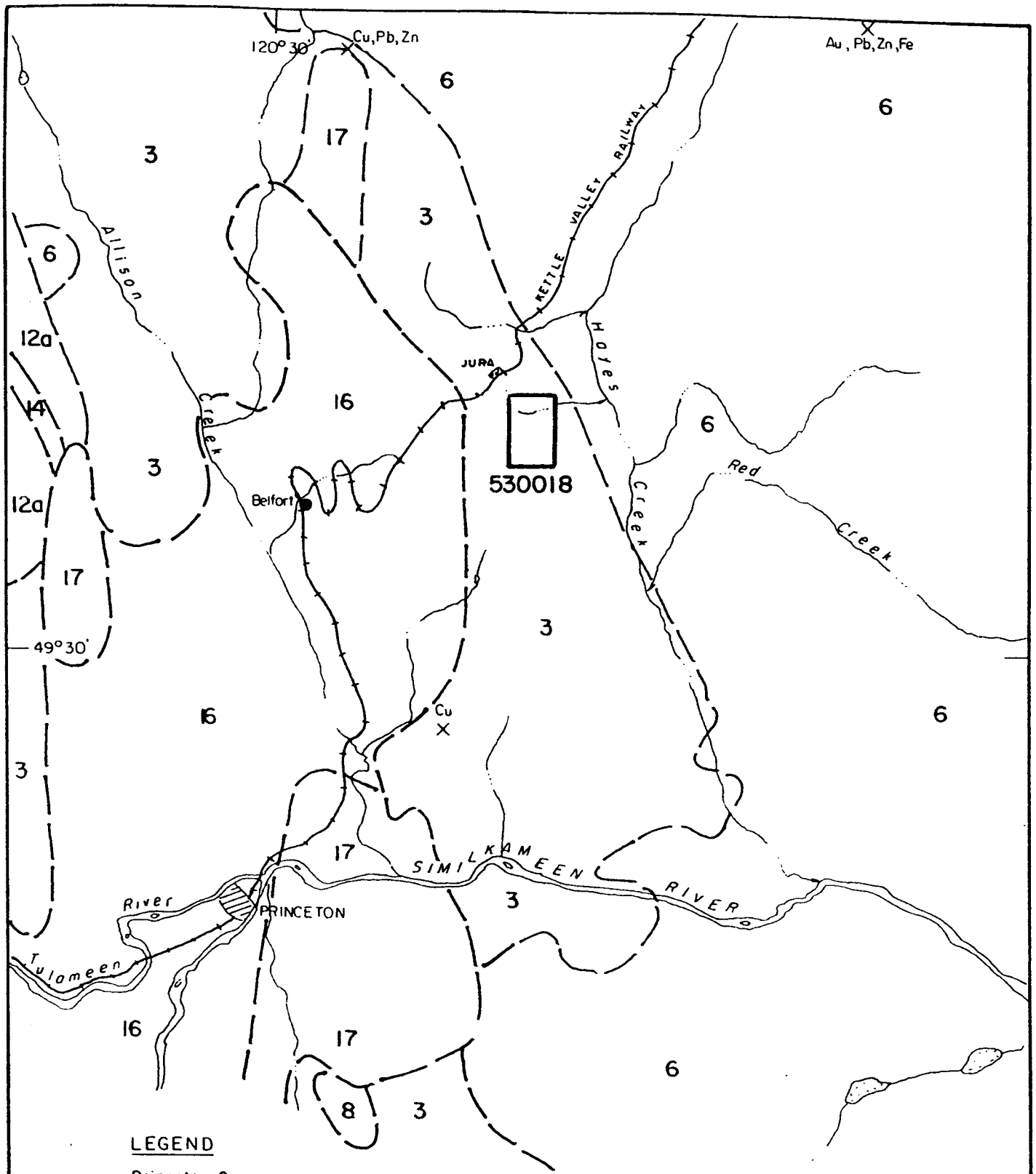
The Lucky Strike mineral claim is situated in the Intermontane Belt of southwestern British Columbia. The oldest rocks observed in the general area are those of the upper Triassic aged Nicola Group that trends northerly as an elongate depositional basin. The Nicola Group occurs mainly as volcanic lavas that may be interbedded with sediments and pyroclastic rocks. The Nicola Group has been divided into three belts or rock assemblages. The following outlines these belts because of their importance in hosting mineralization of economic consequence and their characteristic rock alteration and mineralization. The sequence of deposition from oldest to youngest is considered to be the Central, Eastern and the Western, respectively that are listed as follows:

#### Central Belt

Considered to be the oldest of the three sub-divisions in this sequence it is typified by reddish to green colored volcanic flow units of andesitic to basaltic composition and often porphyritic in augite pyroxene and plagioclase feldspar. Occasional analcite-bearing trachybasalt is observed. Brecciated equivalents and massive textured lahar deposits may occur. Often seen interbedded in the massive flows are layers of fossiliferous, reef-type limestone and crystal, lithic tuffs. Also well-bedded siltstone, sandstone, argillite and minor gritstone and conglomerate are observed occurring.

#### Eastern Belt

The Eastern Belt is predominantly purple and grey, possibly analcite-bearing augite plagioclase trachyandesite and trachybasalt porphyry flows and minor flow breccia. Other units characteristic of this belt are reddish to greenish grey crystal, lithic, and lapilli tuff. Volcanic sandstone and siltstone and minor tuff sometime occur. Massive to crudely layered lahar and minor occurrences of conglomerate may also occur.



**LEGEND**

- 17 Princeton Group:  
Andesite & basalt
- 16 Mainly shale, sandstone, conglomerate
- 14 Otter Intrusive
- 12a Kingsvale Group Mainly volcanics breccia
- 8 Copper Mountain Intrusions
- 6 Coast Intrusions:  
Coarse grained siliceous granite & sandstone
- 3 Nicola Group:  
Lava, argillite, tuff, limestone, schist
- X Mineral occurrences

After GSC Map 888A



<b>NILAM RESOURCES INC.</b>	
<b>LUCKY STRIKE CLAIM</b>	
530018	
<b>REGIONAL GEOLOGY</b>	
NT'S. 92H-8,9 SIMILKAMEEN RIVER, B.C.	
SCALE 1:100,000	DATE: APRIL 2006
DRAWN BY: J.M	FIGURE: 3

## Western Belt

This belt is typified by plagioclase andesite to dacite flows, minor breccia and massive tuffs of similar composition that are at times found interbedded with grey, massive to cherty limestone or calcareous volcanic conglomerate, sandstone, siltstone or minor tuff and breccia.

The Nicola Group is generally found bounded on the west by the next youngest Kingsvale Group volcano-sedimentary units of lower Cretaceous age that appear similar in many instances to the Nicola Group units. Also occurring on the west side of the Nicola Group are the young Tertiary (middle Eocene) aged volcano-sediments (flows, breccia and lahars) of the Princeton Group.

On the eastside of the Nicola Group the contacting units are often plutonic rocks of Jurassic or later age. More specifically the lower reaches of Hayes Creek to its confluence with the Similkameen River is underlain by early Jurassic aged granodiorite assigned to the Bromley Intrusions while the upper reaches of Hayes Creek are seen to be underlain by Osprey Lake granodiorite intrusions of early middle Jurassic age.

### 6.2 Local Geology

The local geology about the mineral claim area may be described as being underlain by the oldest rock units of the area, the Nicola Group contacting with Kingsvale volcanic and sediments on the west and calc-alkaline Coast Range (Bromley or Osprey Lake) intrusions on the east.

### 6.3 Property Geology

The geology of the Lucky Strike mineral claim may be described as being underlain by units of the Nicola Group possibly contacting with Princeton Group sediments on the west. The Princeton Group is in many places coal-bearing and possibly a host for "coal-bed methane gas". On the eastside of the Nicola Group the contacting rock units are Osprey Lake granodiorite intrusions.

Some or all of these units may be found to host economic mineralization. The property setting offers good underlying possibilities and all overburden areas should be checked when a field program is undertaken.

#### 6.4 Deposit Type

The deposit types that historically predominate in the general area are as the larger target as a porphyry-type base metal (copper-gold-palladium) occurrence with peripheral base and precious metal occurrences as veins and/or contact zones of mineralization. The most prolific host in this area is the Nicola Group andesitic tuffs that are often skarned or altered. Any occurrences of Princeton Group sediments, i.e. shales, sandstone, etc. should be checked thoroughly for coal occurrences. All such rock exposures should be sought especially carefully in the drift covered areas of the claim by observing oxidation or alteration staining in the soil and for groundwater rust seeps. All of these visual inspections are crucial in this dry, open range country as soil with such thin vegetation cover can reflect subtle changes such as those listed as well as structural expression on the ground surface, such as underlying faults or shear zones.

Geophysical techniques may be most effective in the covered areas as a follow-up to prospecting, trenching and sampling of the first phase program.

#### 6.5 Mineralization

The writer has observed in places within the general area pyrite-pyrrhotite-chalcopyrite mineralization as mesothermal replacements or vein-type of occurrences peripheral to the porphyry-type occurrence in the crystal, lithic volcanic tuffs or intrusive rock units or the volcanic skarn zones. These occurrences were observed in the massive volcanic units and in medium grain-sized intrusive rock within steeply dipping to vertical fissure/fault zones with some dissemination in the adjacent wallrock. Alteration accompanying the pyritization is often observed as epidote-chlorite-calcite or a propylitic assemblage.

The Lucky Strike mineral claim as described in the 1927 British Columbia Minister of Mines Annual Report - a chalcopyrite (copper-iron sulphide) and pyrite (iron sulphide) occurrence with abundant malachite-stain (copper

carbonate) in a highly fractured basalt that has been intruded by a coarse grained intrusive pegmatite.

During exploration work being performed in 1987, a chip sample was taken over 6.56 feet that return copper and gold results of 0.823% and 0.46 g/ton, respectively. The location of this sample site should be undertaken during the Phase 1 exploration program.

The fault/fracture zones should be 10's of feet wide and 100's of feet in length and generally trend northerly (west or east). The gold quartz type mineralization may be of an epithermal origin, lower temperature and possibly with a carbonate accessory and be peripheral to a higher temperature porphyry stockwork system.

## 7.0 Exploration

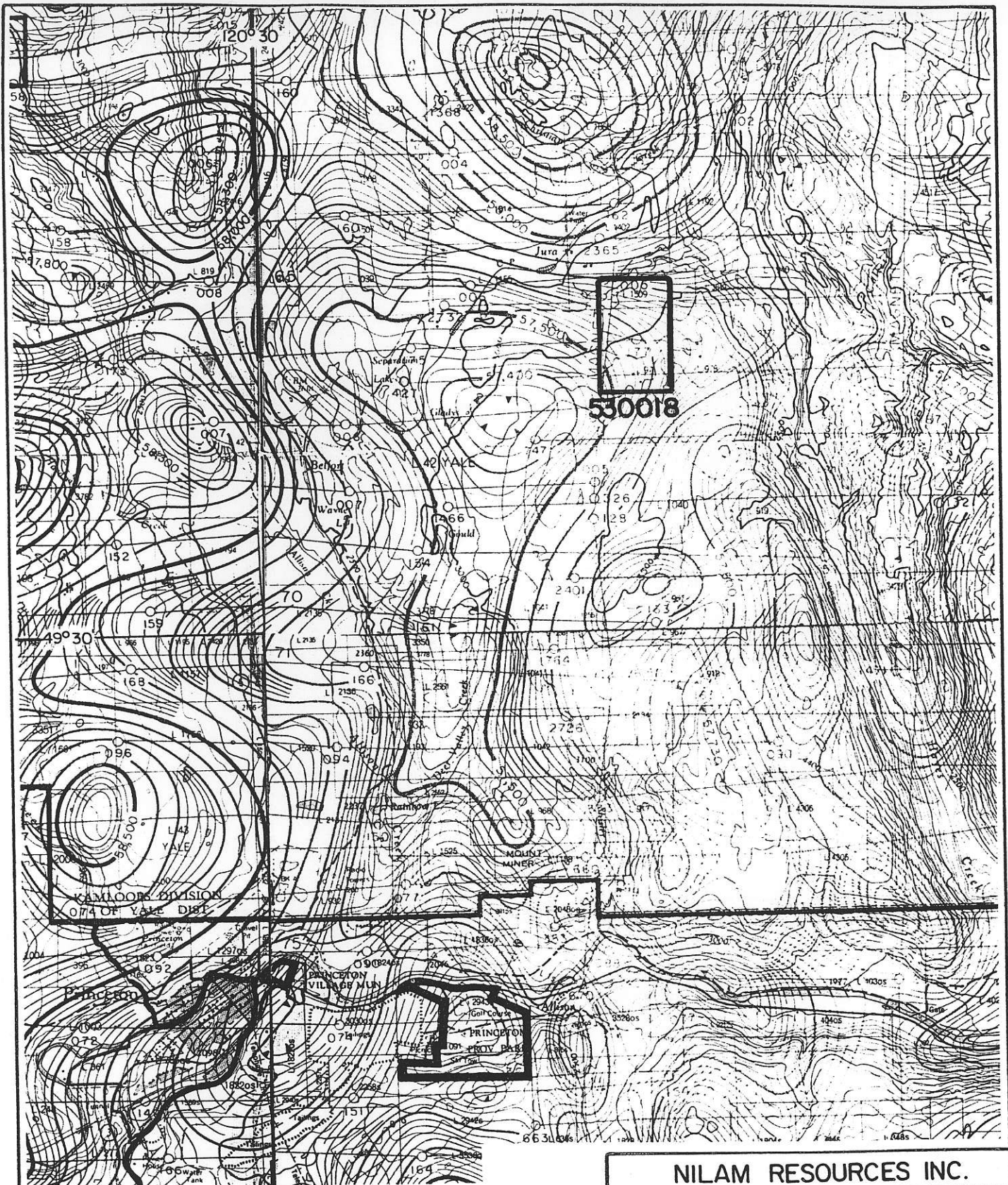
### 7.1 Geophysics of the Lucky Strike Property

The aeromagnetic results shown in Figure 4 are from a survey conducted by Lockwood Survey Corporation of Toronto, Ontario for Amax Exploration Inc. The survey was conducted in 1969. Geoterrex Limited re-compiled the data and published it in 1973 on a topographical map sheet of the area for the Department of Energy, Mines and Resources, Ottawa, Ontario. The survey was flown at 1,000 feet above ground level.

There is a moderate magnetic inflection across the central portion of the claim in a west-east direction. The pattern of the inflection and a change in gradient between the west and east sectors suggests a rock-type change, i.e. a contact or possibly a fault-contact. This type of feature is known to, at times, enhance the geological setting with the possibility of being receptive to mineralizing fluids ascend from underlying intrusions.

### 7.2 Geochemistry of the Lucky Strike property

To the best of the writer's knowledge, the Lucky Strike property proper has not undergone any detailed ground exploration work.



ISOMAGNETIC LINES (absolute total field)

- 500 gammas .....
- 100 gammas .....
- 20 gammas .....
- 10 gammas .....
- Magnetic depression .....

Flight lines ..... 15 697  
 Flight altitude 1000 feet above ground level



After GSC Maps  
 8826G, 8827G,  
 8830G, 8831G

**NILAM RESOURCES INC.**

**LUCKY STRIKE CLAIM**

530018

**AEROMAGNETIC SURVEY**

NTS. 92H-9 SIMILKAMEEN RIVER, B.C.



SCALE: 1:63,360

DATE: APRIL 2006

DRAWN BY: J.M.

FIGURE: 4

## 8.0 Drilling

No drilling appears to have taken place on the area covered by the Lucky Strike mineral claim.

## 9.0 Sample Method and Approach

Standard sampling methods are utilized, for example a rock sample would be acquired from the rock exposure with a hammer. The sample will be roughly 2"x2"x2" of freshly broken material. The samples grid location correlated with global positioning system (GPS) location will be marked in the logbook after a sample number has been assigned. The sample number would be impressed on an aluminum tag and on a flagging that will be affixed at the sample site for future location.

### 9.1 Results

As exploration work could be conducted and assessed, a decision would be made as to its importance and priority. The next phase of work will be determined by the results from the preceding one. At this point, it is necessary to suggest that a three phase exploration approach be recommended.

## 10.0 Sample Preparation, Analyses and Security

Our rock exposure samples would be taken with known grid relationships that have been tied-in with a hand held global positioning system (GPS).

The samples would be in the possession of the field supervisor of the exploration project. The samples would undergo multi-element analyses by the induction coupled plasma (ICP) method and the atomic absorption (AA) method for the detection of precious metals with back-up analyses and/or assaying of anomalous samples for more detail. All analyses and assaying will be carried-out in a certified laboratory.



## 11.0 Data Verification

Previous exploration was not conducted on this mineral claim area by the author, but its close proximity to known mineral occurrences encourages the recommendation to conduct exploration work on the property.

The writer is confident any information included in this report is accurate and can be utilized in planning further exploration work.

## 12.0 Adjacent Properties

The Lucky Strike mineral claim lies in an area where considerable exploration has been conducted historically and where active exploration work is presently being undertaken. The Nicola Group belt is being actively explored because of the past production from these rock units.

## 13.0 Mineral Processing and Metallurgical Testing

No mineral processing or metallurgical testing analyses have been carried-out on the Lucky Strike property.

## 14.0 Mineral Resource and Mineral Reserve Estimates

No mineralization has been encountered to date by the author and no calculation of any reliable mineral resource or mineral reserve calculations, that in any way conforms to currently accepted standards could be undertaken at this time.

## 15.0 Other Relevant Data and Information

All relevant data and information concerning the Lucky Strike property has been presented in this report.

## 16.0 Interpretation and Conclusions

The object of the recommendations made in this report are to facilitate in the possible discovery of a large, probably low grade mineral deposit of base and/or precious metals or other minerals of economic consideration that has open pit and/or underground mining potential. If such a deposit exists, it may

occur under the drift or overburden covered areas of the Lucky Strike mineral claim.

### 17.0 Recommendations

The writer believes that the mineralization encountered to date in neighboring areas is possibly indicative of a larger mineralized system in the general area. The glacial drift covered parts of the property offer good exploration areas because of their proximity to known mineralization, geological setting and generally a lack of exploration testing. The copper-gold bearing sample obtained in 1987 on the Lucky Strike mineral claim offers a good place to start the current recommended program. Also, remote sensing as aeromagnetic results may indicate possible exploration areas of interest within the Lucky Strike mineral claim.

Detailed prospecting and hand trenching surveys of the claim area should be undertaken if and when the Company is in a position to do so. The following three phase exploration proposal and cost estimate is offered with the understanding that consecutive phases are contingent upon positive (encouraging) results being obtained from each preceding phase:

#### Phase 1

Detailed prospecting and mineralization mapping, followed by hand trenching to obtain clean, fresh samples. The cost estimate for this program is all inclusive \$ 4,500

#### Phase 2

Magnetometer and VLF electromagnetic, grid controlled surveys over the areas of interest determined by the Phase 1 survey. Included in this estimated cost are transportation, accommodation, board, grid installation, both of the surveys, maps and report 12,500

### Phase 3

Induced polarization survey over grid controlled anomalous zones of interest outlined by Phase 1&2 fieldwork. Hoe or bulldozer trenching, mapping and sampling of bedrock anomalies. Includes assays, detailed maps and reports 40,000

Estimated Total \$ 57,000

### 17.1 Recommended Drilling

No recommendations for drilling on the Lucky Strike mineral claim can be made at this time. After completion of Phase 3 this decision could be made.

### 18.0 References

British Columbia Ministry of Energy, Mines and Petroleum Resources Assessment Reports - 251, 1721, 9634 and 10565.

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## 19.0 Author's Qualifications and Certification

I, James W. McLeod, P. Geo do hereby certify as follows:

- 1.0 I am currently self-employed as a Consulting Geologist with an office located at 5382 Aspen Way, Delta, British Columbia, V4K 3S3, Canada.
- 2.0 I am a graduate of the University of British Columbia (1969), B.Sc (Major Geology).
- 3.0 I am a member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia, with membership number 18712 and a Fellow of the Geological Association of Canada.
- 4.0 I have worked as a geologist for a total of 36 years since graduation.
- 5.0 I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") in Canada and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the

requirements to be a “qualified person” for the purposes of NI 43-101.

- 6.0 I am responsible for the preparation of sections 1 to 19 of the technical report titled “Review and Recommendations, Lucky Strike Mineral Claim, Similkameen Region, Jura, B.C. Project Area, British Columbia, Canada.” Dated April 10, 2006 (the Technical Report”) relating to the Lucky Strike property.
- 7.0 I have had prior involvement in the general area and specifically the area south of the Lucky Strike mineral claim from 1968 until the present.
- 8.0 I am not aware of any material facts or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.
- 10.0 I am independent of the issuer and have neither interest in the Lucky Strike mineral claim nor Nilam Resources Inc.
- 11.0 I have read National Instrument 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument.
- 12.0 I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them, including electronic publication in the public company files on their websites accessible by the public, of the Technical report.

Dated at Delta, British Columbia this 10th Day of April, 2006.

James W. McLeod, P. Geo.  
Qualified Person